

To the Members of the California State Senate:

I am returning Senate Bill 1527 without my signature.

This bill requires the Director of the Department of General Services to enter into negotiations to sell a 13-acre parcel at the Cow Palace to any interested third party, with the Daly City Redevelopment Agency having the first right of refusal.

SB 1527 circumvents the state's current competitive bid process and would potentially limit the state's financial return for the sale of state-owned land without creating any added value for the surrounding community. By including the first right of refusal provisions, this bill narrows the range of options for the use of the property and places the state at risk to receive less revenue than if the property was offered to all interested parties through a normal competitive bid process.

Sincerely,

Arnold Schwarzenegger